

# SENATE RECORD VOTE ANALYSIS

104th Congress  
1st Session

Vote No. 506

October 26, 1995, 5:21 p.m.  
Page S-15782 Temp. Record

## BALANCED BUDGET RECONCILIATION/Agricultural & Welfare Spending

**SUBJECT:**        **Balanced Budget Reconciliation Act of 1995 . . . S. 1357. Exon motion to waive the Budget Act for the consideration of the Baucus motion to commit the bill to the Committee on Finance with instructions.**

### ACTION: MOTION REJECTED, 46-53

**SYNOPSIS:**        As reported, S. 1357, the Balanced Budget Reconciliation Act of 1995, will result in a balanced budget in seven years, as scored by the Congressional Budget Office (CBO). The bill will also provide a \$245 billion middle-class tax cut, \$141.4 billion of which will be to provide a \$500 per child tax credit.

**The Baucus motion to commit** the bill to the Finance Committee would instruct the committee to report the bill back within 3 session days with changes "to reduce revenue reductions attributable to tax breaks benefitting upper-income taxpayers over the next 7 years in an amount necessary to avoid unfair cuts in Medicare payments to rural hospitals and other rural health care providers, to maintain Federal support at the levels recommended by the President of the United States for Federal agriculture and nutrition programs, and to maintain levels of Federal support for education and child care in rural America." (The agriculture, nutrition, and forestry provisions of the bill will achieve savings of \$48.63 billion over 7 years (\$35.7 billion will come from nutrition programs and \$12.7 billion will come from farm programs). Thus, the Baucus motion would require an increase in spending of \$48.63 billion. S. 1357 will give farmers greater planting flexibility, it will cap annual subsidies, and it will reduce funding for the conservation reserve program. Farm program savings will include the following:

crop subsidies (\$8.8 billion in savings): 30 percent of farmland used to grow wheat, feed grains, cotton, and rice will be ineligible for subsidies, and acreage reduction programs will be eliminated;

Dairy program (\$1 billion in savings): nonfat dry milk and butter price supports will be eliminated and cheese price supports will be phased out; and

conservation programs (\$1 billion in savings): the conservation reserve program will be capped at 36.4 million acres.

Most of the \$35.7 billion in savings from the nutrition programs will be from the food stamp and child nutrition reforms that the

(See other side)

YEAS (46)			NAYS (53)			NOT VOTING (0)	
Republicans (1 or 2%)	Democrats (45 or 98%)		Republicans (52 or 98%)	Democrats (1 or 2%)		Republicans (0)	Democrats (0)
Snowe	Akaka	Inouye	Abraham	Helms	Bradley		
	Baucus	Johnston	Ashcroft	Hutchison			
	Biden	Kennedy	Bennett	Inhofe			
	Bingaman	Kerrey	Bond	Jeffords			
	Boxer	Kerry	Brown	Kassebaum			
	Breaux	Kohl	Burns	Kempthorne			
	Bryan	Lautenberg	Campbell	Kyl			
	Bumpers	Leahy	Chafee	Lott			
	Byrd	Levin	Coats	Lugar			
	Conrad	Lieberman	Cochran	Mack			
	Daschle	Mikulski	Cohen	McCain			
	Dodd	Moseley-Braun	Coverdell	McConnell			
	Dorgan	Moynihan	Craig	Murkowski			
	Exon	Murray	D'Amato	Nickles			
	Feingold	Nunn	DeWine	Pressler			
	Feinstein	Pell	Dole	Roth			
	Ford	Pryor	Domenici	Santorum			
	Glenn	Reid	Faircloth	Shelby			
	Graham	Robb	Frist	Simpson			
	Harkin	Rockefeller	Gorton	Smith			
	Heflin	Sarbanes	Gramm	Specter			
	Hollings	Simon	Grams	Stevens			
		Wellstone	Grassley	Thomas			
			Gregg	Thompson			
			Hatch	Thurmond			
			Hatfield	Warner			

#### EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

#### SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

Senate agreed to 1 month ago on the welfare reform bill (see vote No. 443).)

Debate on a debatable motion to a reconciliation bill is limited to 1 hour. Debate was further limited by unanimous consent. Following debate, Senator Domenici raised the point of order that the motion was not germane under the Budget Act. Senator Exon then moved to waive the Budget Act for the consideration of the Baucus motion. Generally, those favoring the motion to waive favored the Baucus motion; those opposing the motion to waive opposed the Baucus motion.

NOTE: A three-fifths majority (60) vote of the Senate is required to waive the Budget Act. Following the failure of the motion to waive, the point of order was upheld and the amendment thus fell.

**Those favoring** the motion to waive contended:

Americans are well aware of the vicious cuts this bill will make in Medicare, welfare, and other needed Federal spending programs. However, most Americans are not aware that it also will substantially re-write agricultural policy. We suspect that after only a few minutes of debate, the so-called reforms of agricultural and nutrition programs that are in this bill will soon probably pass the Senate on a party-line vote. We are appalled that this procedure is being followed. In years past farm bills have been subjected to weeks of intensive debate before being signed into law. The agricultural provisions in this bill, though, which will make some of the largest and most ill-considered changes in policy ever, will pass with barely a glance.

These changes were designed in secret by Republican Senators. Democratic Senators were not asked their opinions, but if they had been they would have said that Republicans were making a vicious assault on rural Americans in order to balance the budget and give huge tax breaks to their rich friends. Farm programs will be slashed by a whopping \$12.7 billion, or 25 percent. That 25-percent reduction will come on top of the 60-percent reduction that was imposed on agricultural programs in the last decade. Most of that money will be taken out of subsidy programs. Those cuts will devastate farmers. For example, the Food and Agricultural Policy Research Institute at Texas A&M University released a study of the Republican plan. That study noted that a typical 70-cow dairy farmer in Vermont will see net cash income fall by \$9,050--from \$31,120 to \$22,270--due to the elimination of dairy price supports in this bill.

The pain from the agricultural provisions will only make worse the effect of the nutrition program cuts. Rural Americans are disproportionately poor and reliant on Federal nutritional assistance. Cutting funding for nutrition will not eliminate the need of poor people to eat; it will just leave them hungry. Making matters even worse, this bill will slash funding for conservation programs, which will put pressure on farmers already reeling from subsidy cuts to increase development, which will in turn pit them against environmentalists.

The agriculture and nutrition provisions in this bill complete the Republicans' frontal assault on rural America. They have proposed slashing Medicare, which will close rural hospitals; they have proposed cutting the EIC, on which so many rural Americans rely; they have proposed cutting Medicaid, which is so important to millions of rural Americans. Now they want to cut farm programs as well. We urge our colleagues to at least block this effort.

**Those opposing** the motion to waive contended:

If Senators think farmers like confiscatory capital gains tax rates, enormous death taxes on the farms they hope to pass on to their children, and high interest rates on the hundreds of thousands of dollars worth of capital equipment that even small farms have to buy, then they should vote for the Baucus business-as-usual motion. Our colleagues suppose that farmers enjoy Federal Government policies that have nearly ruined them. They suppose that farmers then enjoy surviving by taking Federal subsidies that come with strings attached telling them how they must farm. We, though, think farmers would love to be rid of destructive Federal Government tax policies, and we think they would be glad to give up subsidies (and all the attached Federal mandates) in return. They want freedom, instead of a Government that drives them into poverty and then gives them subsidies loaded down with mandates.

The average age of farmers in many States is now over 60 years. These farmers have children whom they would like to pass their farms on to, but they cannot because of high estate and capital gains taxes, which, combined with the effects of inflation, are confiscatory. A whole generation of farmers has been lost due to Federal taxation in the last several decades. When farmers die now, huge chunks of their farms that have been in their family for generations are seized by the Federal Government. Farming is an extremely capital-intensive business. Farms, more than any other business, will benefit from lower interest rates, reductions in the capital gains tax, and the lowering of estate taxes. When our colleagues have talked about the tax cuts in this bill for the "rich," the only cuts in particular that they have dared suggest go to rich Americans are capital gains cuts and the estate tax cut. In fact, considering that 90 percent of the tax cuts that are in this bill will go to Americans earning less than \$100,000 in the first year, and that more than 84 percent of those cuts will go to such people over the first 5 years, and considering that most of those cuts will benefit only middle-class Americans, it is pretty obvious that "the rich people" they are after are those who will benefit from the capital gains tax cut and the estate tax cut. In other words, instead of giving farmers tax breaks that they desperately need, our colleagues are proposing that we continue to tax them at confiscatory rates and then ever so charitably give them back some of their money as subsidies. Making matters even worse, the agriculture portions of this amendment are really rather small compared to its

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total effect. Approximately 75 percent of its cost has nothing to do with farmers; it has to do with welfare. This bill will insist on eliminating the food stamp and other nutrition program reforms that the Senate overwhelmingly agreed to just a few days ago. The result of continuing this welfare spending at its current high rate will be tens of billions of additional deficit spending, which will drive interest rates up even higher. Farmers need to borrow, and the Federal Government's insistence on spending huge amounts on welfare programs that it cannot afford greatly increases the costs of borrowing for everyone else.

During this debate, our colleagues mentioned the Food and Agriculture Policy Research Institute. We are pleased they recognize the Institute's expertise, because it estimated that a balanced budget plan would save farms \$2.3 billion per year in reduced interest rates. Also, it estimated they would gain \$300 million per year from increased production. The net positive impact would thus be \$2.6 billion.

Another point our colleagues do not seem to understand is the effect that this bill's removal of regulatory burdens on farmers will have. Specifically, farmers will no longer be required to idle productive land. Further, they will have the flexibility to produce whatever commodity they choose in response to market signals. Getting the Federal Government out of micromanagement of production will allow farmers to pursue rational farm policies based on market conditions, instead of simply obeying the Federal Government in order to get subsidies.

In summary, we realize our colleagues' motivations on this amendment are honorable. They truly believe that the way to help farmers is to provide subsidies and mandates from Washington. We believe the opposite. We need to let farmers farm, we need to give them tax relief, and we need to balance the budget to lower their cost of borrowing. We stand firmly behind this Republican plan for agriculture, and thus urge the rejection of the Baucus motion.